

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6934
BILL NUMBER: HB 1357

NOTE PREPARED: Jan 10, 2008
BILL AMENDED:

SUBJECT: Marion Superior Court Magistrates.

FIRST AUTHOR: Rep. Bardon
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2008	FY 2009	FY 2010
State Revenues			
State Expenditures		251,820	255,884
Net Increase (Decrease)		(251,820)	(255,884)

Summary of Legislation: This bill allows the judges of the Marion Superior Court to jointly appoint ten full-time magistrates instead of eight full-time magistrates after June 30, 2008.

Effective Date: July 1, 2008.

Explanation of State Expenditures: A magistrate's salary is 80% of the salary of a circuit or superior court judge. The salary of circuit and superior court judges is adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers are adjusted by the amount that executive staff salaries in the same salary level are increased.

For this analysis, judicial officers are assumed to receive a 2.5% annual salary increase each year between FY 2009 and FY 2012.

State expenditures associated with these new court officers will also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for these persons will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following costs are expected for FY 2009 based on the salaries specified in the statute and by a projected increase in salary for judicial officers of 2.5% between FY 2008 and 2009.

Salaries and Benefits for Court Personnel in FY 2009	
<u>Benefits</u>	<u>Magistrate</u>
Salary	\$95,914
Life Insurance	\$345
Indiana Judicial Conference	\$1,000
Social Security	\$7,337
Retirement	\$9,112
Disability Insurance	\$2,187
Deferred Compensation Match	\$390
Health, Dental, and Vision (blended rate)	<u>\$9,624</u>
Total Cost Per Judicial Officer	<u><u>\$125,910</u></u>

Projected Salaries for 2009 - 2012 – The following table shows estimates of what the total salaries (base and fringe benefits) of these court officers could be between FY 2009 and FY 2012 if their base salaries are increased each year by 2.5%.

Projected Base Salaries and Fringe Benefits for Two Magistrates, FY 2009 through 2012				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Magistrate (80% of Judges)	\$125,910	\$127,942	\$130,886	\$133,904
Number of New Magistrates	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Added State Expenditures	\$251,820	\$255,884	\$261,772	\$267,808

Explanation of State Revenues:

Explanation of Local Expenditures: Any effect on local expenditures will depend on whether Marion County uses these magistrates to reduce workload on other judicial officers or to reduce the county's payroll by designating two existing court commissioners (judicial officers paid by the county) as magistrates.

If Marion County uses these new magistrates to reduce workload, then Marion County may need to hire more support staff (clerical staff and possibly court reporters) and find more office space.

If Marion County converts two court commissioners into magistrates, Marion County may be able to reduce the current court payroll by about \$187,000 in CY 2008. The annual salary of a court commissioner in CY 2008 was \$72,000. It is assumed to increase each year by 2.5%.

Estimated Annual Savings for Marion County if Commissioners are Converted to Magistrates				
	2008	2009	2010	2011
Salary	\$72,000	\$73,800	\$75,645	\$77,536
Fringe	16.75%	16.75%	16.75%	16.75%
Health Insurance	<u>\$9,624</u>	<u>\$9,624</u>	<u>\$9,624</u>	<u>\$9,624</u>
Salary and Benefits	\$93,684	\$95,786	\$97,940	\$100,147
Number of Commissioners	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Potential Savings	\$187,368	\$191,571	\$195,879	\$200,295

State Agencies Affected: Division of State Court Administration, Indiana Supreme Court.

Local Agencies Affected: Marion County Trial

Information Sources: Sue Patterson, Marion County Superior Courts; Indiana Code; Division of State Court Administration

Fiscal Analyst: Mark Goodpaster, 317-232-9852.